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## Water Infrastructure Finance Authority of Arizona

### NEWS RELEASE

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## **WIFA Receives Highest Revenue Bond Credit Ratings From Three National Firms**

PHOENIX (Mar. 5, 2004) – The Water Infrastructure Finance Authority of Arizona (WIFA) this week received the highest credit ratings possible from the three top Wall Street rating agencies: Fitch Ratings (Fitch) - **AAA** and Moody's Investor Service (Moody's) - **Aaa**, and Standard & Poor's (S&P) – **AAA**.

“This is a great achievement for WIFA and for the State of Arizona,” said WIFA board chairman Steve Owens, who is also director of the Arizona Department of Environmental Quality. “These three triple-A credit ratings are evidence of WIFA's sound management and fiscal policies as well as its strong performance as a low-interest source of funds for Arizona communities.”

Owens said these credit ratings allow WIFA to borrow money at the best rates and pass on significant savings to communities throughout the state.

Announcement of the credit ratings comes in advance of an estimated \$272.4 million bond sale scheduled to close in early April.

This is the first credit rating for WIFA by S&P. Both Fitch and Moody's have provided ratings for WIFA's previous bonds and have reaffirmed their assignment of AAA and Aaa ratings, respectively.

“WIFA is committed to helping Arizona communities meet their water infrastructure needs while preserving the environment and quality of life,” said WIFA Executive Director Jay Spector. “To date WIFA has provided Arizonans \$150 million in interest rate savings through our clean water and drinking water financial assistance revolving fund loan programs, and we are very proud of that service.”

WIFA holds the highest revenue bond credit rating in Arizona.

(more)

***About the Water Infrastructure Finance Authority of Arizona***

The Water Infrastructure Finance Authority of Arizona (WIFA) is an agency of the state authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities/projects. Generally, WIFA offers borrowers below market interest on loans for 100% of eligible project costs.

As a "bond bank", WIFA is authorized to issue water quality bonds on behalf of communities for basic water infrastructure. By pooling different entities' financing needs, WIFA provides significant savings through reduced borrowing amounts, lower interest rates, and shared/reduced closing costs.

WIFA's principal tools for providing low interest financial assistance include the Clean Water Revolving Fund (CWRf) for publicly held wastewater treatment projects and the Drinking Water Revolving Fund (DWRf) for both publicly- and privately-held drinking water systems. Both funds are capitalized by contributions from the state and the US Congress. Presently Arizona receives about \$20 million in federal allocations annually for the wastewater and drinking water infrastructure construction improvements.

The formula used by Congress for wastewater allocations is based on 1970's data. If the formula were based on current population and infrastructure needs, the state would receive 4 or 5 times the current allocation of approximately \$9 million.